(c) and (d) Government of India approved the New Exploration and Licensing Policy (NELP) in 1997 and it became effective in February, 1999. Since then licenses for exploration are being awarded only through a competitive bidding system and National Oil Companeis (NOCs) are required to compete on an equal footing with Indian and foreign companies to secure Petroleum Exploration Licenses (PELs). Six rounds of bids have so far been concluded under NELP, in which production sharing contracts for 162 exploration blocks have been signed. Under NELP, 56 oil and gas discoveries in 17 blocks have already been made in Cambay onland, North East Coast and Krishna-Godavari deepwater areas, for which, development plans by the operators are in progress.

With Exploration and development efforts made under NELP, Natural Gas production in the country is likely to be doubled by end of Eleventh Five Year Plan from the present level of gas productin of about 90 million standard cubic metres per day (MMSCMD).

**Under seventh round of NELP** which was launched on 13th December, 2007, Government is offering 57 exploration blocks. The offered blocks include — 19 deepwater blocks, 9 shallow water blocks and 29 onland blocks. Exploration blocks in onland areas are located in the States of Assam (1), Bihar (3), Chhattisgarh (1), Gujarat (11), Madhya Pradesh (2), Rajasthan (3), Tamil Nadu (2) and West Bengal (6). Out of 19 deepwater blocks, 15 exploration blocks are in western offshore areas and 3 exploration blocks are in eastern offshore areas. One deepwater exploration blocks is in Andaman Nicobar basin. Amongst shallow water blocks, 6 blocks are in Mumbai basin in western offshore, while 3 blocks are in KG basin in eastern offshore.

**Amendments to the Income Tax Act, 1961**

*88. SHRI M.V. MYSURA REDDY: Will the Minsiter of FINANCE be pleased to state:

(a) whether Government propose to bring out the necessary amendments to Section 10 (17) of the Income Tax Act, 1961 providing exemption of tax on all allowances to Members of Legislative Assembly of Andhra Pradesh at par with the Members of Parliament;

(b) if so, the details thereof and if not, the reasons therefor;

(c) whether any representation in this respect has been received from the State Government of Andhra Pradesh; and

(d) if so, what action has been taken thereon by the Central Government?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) Clause (17) of Section 10 of the Income Tax Act exempts from income tax specified allowances received by any person by reason of his membership of Parliament or of any State Legislature. Prior to 1.4.2007, in the case of MPs, the following allowances were exempt under section 10(17) of the Income Tax Act, 1961:

(i) Daily Allowance;

(ii) Constituency Allowance.

In contrast, in the case of MLAs, the following allowances were exempt:

(i) Daily Allowance;

(ii) All other allowances up to an aggregate limit of Rs. 2000/- p.m.

In order to bring parity in tax treatment of allowances received by MPs and MLAs, Section 10(17) was amended *vide* Finance Act, 2006 with effect from 1.4.2007. After the amendment, as in the case of MPs, the following allowances of MLAs are also exempt—

(i) Daily Allowance; and

(ii) Constituency Allowance, irrespective of any limit.

All other allowances of MPs as well as MLAs are taxable. In view of the above, the tax treatment of allowances received by MPs and MLAs has become uniform.

Given the existing parity, granting further exemption to any other allowances received by MLAs of Andhra Pradesh may not be desirable. A representation dated 09.08.2007 was received on this issue from the Chief Minister of Andhra Pradesh. A reply dated 13.09.2008 was sent to the Chief Minister of Andhra Pradesh clarifying the issue raised by him.

**Action against flying club/institutes**

*89. SHRI SANTOSH BAGRODIA:
SHRI HARISH RAWAT:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the steps Government is taking to ensure that different flying clubs and flying institutes are following strictly the norms required for training the pilots and giving them the licences; and

(b) the institutes found to be issuing false reports and false licences and what action Government has taken against them?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) All the Flight Training Institutes have been advised to submit attested photocopies of relevant records of their individual aircraft every month.The applications of their students for issue of licences are required to be submitted with attested copies of relevant flying records/details. Directorate General of Civil Aviation (DGCA) has been directed to ensure a strict monitoring system to avoid malpractices.

(b) Reports regarding irregularities committed by the Chief Flying Instructor (CFI) of M/s. Carver Aviation Academy were received which were duly investigated by DGCA. The CFI status of Capt. Ashim Taxali was withdrawn and approval to M/s Carver Aviation Academy was suspended. The Academy repersented to the Government with all facts of the case. The Government considered the representation and, keeping in view the fact that the management of the institute themselves detected the malpractices and reported to the local police authorities and also keeping in view the career prospects of trainees enrolled with the institute and assurance given by the academy of a strict monitoring system, decided to revoke the suspension of the licence. DGCA has been directed to ensure that these systems are in place.